



Sen. Patrick J. Joyce

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LRB102 04948 HLH 37693 a

1 AMENDMENT TO SENATE BILL 1146

2 AMENDMENT NO. _____. Amend Senate Bill 1146 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing
5 Sections 3-10 and 3-41 and by adding Sections 3-5.1 and 3-42.5
6 as follows:

7 (35 ILCS 105/3-5.1 new)

8 Sec. 3-5.1. Biodiesel, renewable diesel, and biodiesel
9 blends.

10 (a) From January 1, 2024 through March 31, 2024, the taxes
11 imposed by this Act, the Service Use Tax Act, the Service
12 Occupation Tax Act, or the Retailers' Occupation Tax Act do
13 not apply to the proceeds of sales of the following items: (i)
14 biodiesel; (ii) renewable diesel; or (iii) biodiesel blends
15 with more than 10% but no more than 99% biodiesel.

16 (b) From April 1, 2024 through November 30, 2024, the

1 taxes imposed by this Act, the Service Use Tax Act, the Service
2 Occupation Tax Act, or the Retailers' Occupation Tax Act do
3 not apply to the proceeds of sales of the following items: (i)
4 biodiesel; (ii) renewable diesel; or (iii) biodiesel blends
5 with more than 13% but no more than 99% biodiesel.

6 (c) From December 1, 2024 through March 31, 2025, the
7 taxes imposed by this Act, the Service Use Tax Act, the Service
8 Occupation Tax Act, or the Retailers' Occupation Tax Act do
9 not apply to the proceeds of sales of the following items: (i)
10 biodiesel; (ii) renewable diesel; or (iii) biodiesel blends
11 with more than 10% but no more than 99% biodiesel.

12 (d) From April 1, 2025 through November 30, 2025, the
13 taxes imposed by this Act, the Service Use Tax Act, the Service
14 Occupation Tax Act, or the Retailers' Occupation Tax Act do
15 not apply to the proceeds of sales of the following items: (i)
16 biodiesel; (ii) renewable diesel; or (iii) biodiesel blends
17 with more than 16% but no more than 99% biodiesel.

18 (e) From December 1, 2025 through March 31, 2026, the
19 taxes imposed by this Act, the Service Use Tax Act, the Service
20 Occupation Tax Act, or the Retailers' Occupation Tax Act do
21 not apply to the proceeds of sales of the following items: (i)
22 biodiesel; (ii) renewable diesel; or (iii) biodiesel blends
23 with more than 10% but no more than 99% biodiesel.

24 (f) On and after April 1, 2026, the taxes imposed by this
25 Act, the Service Use Tax Act, the Service Occupation Tax Act,
26 or the Retailers' Occupation Tax Act do not apply to the

1 proceeds of sales of the following items: (i) biodiesel; (ii)
2 renewable diesel; or (iii) biodiesel blends with more than 19%
3 but no more than 99% biodiesel; provided that, from December 1
4 of any calendar year through March 31 of the following
5 calendar year, the taxes imposed by this Act, the Service Use
6 Tax Act, the Service Occupation Tax Act, or the Retailers'
7 Occupation Tax Act do not apply to the proceeds of sales of the
8 following items: (i) biodiesel; (ii) renewable diesel; or
9 (iii) biodiesel blends with more than 10% but no more than 99%
10 biodiesel.

11 (g) This Section is exempt from the provisions of Section
12 3-90 of this Act, Section 3-75 of the Service Use Tax Act,
13 Section 3-55 of the Service Occupation Tax Act, and Section
14 2-70 of the Retailers' Occupation Tax Act.

15 (35 ILCS 105/3-10)

16 Sec. 3-10. Rate of tax. Unless otherwise provided in this
17 Section, the tax imposed by this Act is at the rate of 6.25% of
18 either the selling price or the fair market value, if any, of
19 the tangible personal property. In all cases where property
20 functionally used or consumed is the same as the property that
21 was purchased at retail, then the tax is imposed on the selling
22 price of the property. In all cases where property
23 functionally used or consumed is a by-product or waste product
24 that has been refined, manufactured, or produced from property
25 purchased at retail, then the tax is imposed on the lower of

1 the fair market value, if any, of the specific property so used
2 in this State or on the selling price of the property purchased
3 at retail. For purposes of this Section "fair market value"
4 means the price at which property would change hands between a
5 willing buyer and a willing seller, neither being under any
6 compulsion to buy or sell and both having reasonable knowledge
7 of the relevant facts. The fair market value shall be
8 established by Illinois sales by the taxpayer of the same
9 property as that functionally used or consumed, or if there
10 are no such sales by the taxpayer, then comparable sales or
11 purchases of property of like kind and character in Illinois.

12 Beginning on July 1, 2000 and through December 31, 2000,
13 with respect to motor fuel, as defined in Section 1.1 of the
14 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
15 the Use Tax Act, the tax is imposed at the rate of 1.25%.

16 Beginning on August 6, 2010 through August 15, 2010, with
17 respect to sales tax holiday items as defined in Section 3-6 of
18 this Act, the tax is imposed at the rate of 1.25%.

19 With respect to gasohol, the tax imposed by this Act
20 applies to (i) 70% of the proceeds of sales made on or after
21 January 1, 1990, and before July 1, 2003, (ii) 80% of the
22 proceeds of sales made on or after July 1, 2003 and on or
23 before July 1, 2017, and (iii) 100% of the proceeds of sales
24 made thereafter. If, at any time, however, the tax under this
25 Act on sales of gasohol is imposed at the rate of 1.25%, then
26 the tax imposed by this Act applies to 100% of the proceeds of

1 sales of gasohol made during that time.

2 With respect to majority blended ethanol fuel, the tax
3 imposed by this Act does not apply to the proceeds of sales
4 made on or after July 1, 2003 and on or before December 31,
5 2023 but applies to 100% of the proceeds of sales made
6 thereafter.

7 With respect to biodiesel blends with no less than 1% and
8 no more than 10% biodiesel, the tax imposed by this Act applies
9 to (i) 80% of the proceeds of sales made on or after July 1,
10 2003 and on or before December 31, 2018 and (ii) 100% of the
11 proceeds of sales made after December 31, 2018 and before
12 January 1, 2024. On and after January 1, 2024, the taxation of
13 biodiesel, renewable diesel, and biodiesel blends shall be as
14 provided in Section 3-5.1 ~~thereafter~~. If, at any time,
15 however, the tax under this Act on sales of biodiesel blends
16 with no less than 1% and no more than 10% biodiesel is imposed
17 at the rate of 1.25%, then the tax imposed by this Act applies
18 to 100% of the proceeds of sales of biodiesel blends with no
19 less than 1% and no more than 10% biodiesel made during that
20 time.

21 With respect to 100% biodiesel and biodiesel blends with
22 more than 10% but no more than 99% biodiesel, the tax imposed
23 by this Act does not apply to the proceeds of sales made on or
24 after July 1, 2003 and on or before December 31, 2023 ~~but~~
25 ~~applies to 100% of the proceeds of sales made thereafter. On~~
26 and after January 1, 2024, the taxation of biodiesel,

1 renewable diesel, and biodiesel blends shall be as provided in
2 Section 3-5.1.

3 With respect to food for human consumption that is to be
4 consumed off the premises where it is sold (other than
5 alcoholic beverages, food consisting of or infused with adult
6 use cannabis, soft drinks, and food that has been prepared for
7 immediate consumption) and prescription and nonprescription
8 medicines, drugs, medical appliances, products classified as
9 Class III medical devices by the United States Food and Drug
10 Administration that are used for cancer treatment pursuant to
11 a prescription, as well as any accessories and components
12 related to those devices, modifications to a motor vehicle for
13 the purpose of rendering it usable by a person with a
14 disability, and insulin, blood sugar testing materials,
15 syringes, and needles used by human diabetics, the tax is
16 imposed at the rate of 1%. For the purposes of this Section,
17 until September 1, 2009: the term "soft drinks" means any
18 complete, finished, ready-to-use, non-alcoholic drink, whether
19 carbonated or not, including but not limited to soda water,
20 cola, fruit juice, vegetable juice, carbonated water, and all
21 other preparations commonly known as soft drinks of whatever
22 kind or description that are contained in any closed or sealed
23 bottle, can, carton, or container, regardless of size; but
24 "soft drinks" does not include coffee, tea, non-carbonated
25 water, infant formula, milk or milk products as defined in the
26 Grade A Pasteurized Milk and Milk Products Act, or drinks

1 containing 50% or more natural fruit or vegetable juice.

2 Notwithstanding any other provisions of this Act,
3 beginning September 1, 2009, "soft drinks" means non-alcoholic
4 beverages that contain natural or artificial sweeteners. "Soft
5 drinks" do not include beverages that contain milk or milk
6 products, soy, rice or similar milk substitutes, or greater
7 than 50% of vegetable or fruit juice by volume.

8 Until August 1, 2009, and notwithstanding any other
9 provisions of this Act, "food for human consumption that is to
10 be consumed off the premises where it is sold" includes all
11 food sold through a vending machine, except soft drinks and
12 food products that are dispensed hot from a vending machine,
13 regardless of the location of the vending machine. Beginning
14 August 1, 2009, and notwithstanding any other provisions of
15 this Act, "food for human consumption that is to be consumed
16 off the premises where it is sold" includes all food sold
17 through a vending machine, except soft drinks, candy, and food
18 products that are dispensed hot from a vending machine,
19 regardless of the location of the vending machine.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "food for human consumption that
22 is to be consumed off the premises where it is sold" does not
23 include candy. For purposes of this Section, "candy" means a
24 preparation of sugar, honey, or other natural or artificial
25 sweeteners in combination with chocolate, fruits, nuts or
26 other ingredients or flavorings in the form of bars, drops, or

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "nonprescription medicines and
5 drugs" does not include grooming and hygiene products. For
6 purposes of this Section, "grooming and hygiene products"
7 includes, but is not limited to, soaps and cleaning solutions,
8 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
9 lotions and screens, unless those products are available by
10 prescription only, regardless of whether the products meet the
11 definition of "over-the-counter-drugs". For the purposes of
12 this paragraph, "over-the-counter-drug" means a drug for human
13 use that contains a label that identifies the product as a drug
14 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
15 label includes:

16 (A) A "Drug Facts" panel; or

17 (B) A statement of the "active ingredient(s)" with a
18 list of those ingredients contained in the compound,
19 substance or preparation.

20 Beginning on the effective date of this amendatory Act of
21 the 98th General Assembly, "prescription and nonprescription
22 medicines and drugs" includes medical cannabis purchased from
23 a registered dispensing organization under the Compassionate
24 Use of Medical Cannabis Program Act.

25 As used in this Section, "adult use cannabis" means
26 cannabis subject to tax under the Cannabis Cultivation

1 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
2 and does not include cannabis subject to tax under the
3 Compassionate Use of Medical Cannabis Program Act.

4 If the property that is purchased at retail from a
5 retailer is acquired outside Illinois and used outside
6 Illinois before being brought to Illinois for use here and is
7 taxable under this Act, the "selling price" on which the tax is
8 computed shall be reduced by an amount that represents a
9 reasonable allowance for depreciation for the period of prior
10 out-of-state use.

11 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
12 102-4, eff. 4-27-21.)

13 (35 ILCS 105/3-41)

14 Sec. 3-41. Biodiesel. "Biodiesel" means a ~~renewable~~ diesel
15 fuel substitute derived from biomass that is intended for use
16 in diesel engines.

17 (Source: P.A. 93-17, eff. 6-11-03.)

18 (35 ILCS 105/3-42.5 new)

19 Sec. 3-42.5. Renewable diesel. "Renewable diesel" means a
20 hydrocarbon fuel derived from biomass meeting the requirements
21 of the latest version of ASTM standards D975 or D396. Fuels
22 that have been co-processed are not considered renewable
23 diesel.

1 Section 10. The Service Use Tax Act is amended by changing
2 Section 3-10 as follows:

3 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

4 Sec. 3-10. Rate of tax. Unless otherwise provided in this
5 Section, the tax imposed by this Act is at the rate of 6.25% of
6 the selling price of tangible personal property transferred as
7 an incident to the sale of service, but, for the purpose of
8 computing this tax, in no event shall the selling price be less
9 than the cost price of the property to the serviceman.

10 Beginning on July 1, 2000 and through December 31, 2000,
11 with respect to motor fuel, as defined in Section 1.1 of the
12 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
13 the Use Tax Act, the tax is imposed at the rate of 1.25%.

14 With respect to gasohol, as defined in the Use Tax Act, the
15 tax imposed by this Act applies to (i) 70% of the selling price
16 of property transferred as an incident to the sale of service
17 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
18 of the selling price of property transferred as an incident to
19 the sale of service on or after July 1, 2003 and on or before
20 July 1, 2017, and (iii) 100% of the selling price thereafter.
21 If, at any time, however, the tax under this Act on sales of
22 gasohol, as defined in the Use Tax Act, is imposed at the rate
23 of 1.25%, then the tax imposed by this Act applies to 100% of
24 the proceeds of sales of gasohol made during that time.

25 With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply
2 to the selling price of property transferred as an incident to
3 the sale of service on or after July 1, 2003 and on or before
4 December 31, 2023 but applies to 100% of the selling price
5 thereafter.

6 With respect to biodiesel blends, as defined in the Use
7 Tax Act, with no less than 1% and no more than 10% biodiesel,
8 the tax imposed by this Act applies to (i) 80% of the selling
9 price of property transferred as an incident to the sale of
10 service on or after July 1, 2003 and on or before December 31,
11 2018 and (ii) 100% of the proceeds of the selling price after
12 December 31, 2018 and before January 1, 2024. On and after
13 January 1, 2024, the taxation of biodiesel, renewable diesel,
14 and biodiesel blends shall be as provided in Section 3-5.1 of
15 the Use Tax Act~~thereafter~~. If, at any time, however, the tax
16 under this Act on sales of biodiesel blends, as defined in the
17 Use Tax Act, with no less than 1% and no more than 10%
18 biodiesel is imposed at the rate of 1.25%, then the tax imposed
19 by this Act applies to 100% of the proceeds of sales of
20 biodiesel blends with no less than 1% and no more than 10%
21 biodiesel made during that time.

22 With respect to 100% biodiesel, as defined in the Use Tax
23 Act, and biodiesel blends, as defined in the Use Tax Act, with
24 more than 10% but no more than 99% biodiesel, the tax imposed
25 by this Act does not apply to the proceeds of the selling price
26 of property transferred as an incident to the sale of service

1 on or after July 1, 2003 and on or before December 31, 2023 ~~but~~
2 ~~applies to 100% of the selling price thereafter.~~ On and after
3 January 1, 2024, the taxation of biodiesel, renewable diesel,
4 and biodiesel blends shall be as provided in Section 3-5.1 of
5 the Use Tax Act.

6 At the election of any registered serviceman made for each
7 fiscal year, sales of service in which the aggregate annual
8 cost price of tangible personal property transferred as an
9 incident to the sales of service is less than 35%, or 75% in
10 the case of servicemen transferring prescription drugs or
11 servicemen engaged in graphic arts production, of the
12 aggregate annual total gross receipts from all sales of
13 service, the tax imposed by this Act shall be based on the
14 serviceman's cost price of the tangible personal property
15 transferred as an incident to the sale of those services.

16 The tax shall be imposed at the rate of 1% on food prepared
17 for immediate consumption and transferred incident to a sale
18 of service subject to this Act or the Service Occupation Tax
19 Act by an entity licensed under the Hospital Licensing Act,
20 the Nursing Home Care Act, the Assisted Living and Shared
21 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
22 Specialized Mental Health Rehabilitation Act of 2013, or the
23 Child Care Act of 1969, or an entity that holds a permit issued
24 pursuant to the Life Care Facilities Act. The tax shall also be
25 imposed at the rate of 1% on food for human consumption that is
26 to be consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult
2 use cannabis, soft drinks, and food that has been prepared for
3 immediate consumption and is not otherwise included in this
4 paragraph) and prescription and nonprescription medicines,
5 drugs, medical appliances, products classified as Class III
6 medical devices by the United States Food and Drug
7 Administration that are used for cancer treatment pursuant to
8 a prescription, as well as any accessories and components
9 related to those devices, modifications to a motor vehicle for
10 the purpose of rendering it usable by a person with a
11 disability, and insulin, blood sugar testing materials,
12 syringes, and needles used by human diabetics. For the
13 purposes of this Section, until September 1, 2009: the term
14 "soft drinks" means any complete, finished, ready-to-use,
15 non-alcoholic drink, whether carbonated or not, including but
16 not limited to soda water, cola, fruit juice, vegetable juice,
17 carbonated water, and all other preparations commonly known as
18 soft drinks of whatever kind or description that are contained
19 in any closed or sealed bottle, can, carton, or container,
20 regardless of size; but "soft drinks" does not include coffee,
21 tea, non-carbonated water, infant formula, milk or milk
22 products as defined in the Grade A Pasteurized Milk and Milk
23 Products Act, or drinks containing 50% or more natural fruit
24 or vegetable juice.

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

1 beverages that contain natural or artificial sweeteners. "Soft
2 drinks" do not include beverages that contain milk or milk
3 products, soy, rice or similar milk substitutes, or greater
4 than 50% of vegetable or fruit juice by volume.

5 Until August 1, 2009, and notwithstanding any other
6 provisions of this Act, "food for human consumption that is to
7 be consumed off the premises where it is sold" includes all
8 food sold through a vending machine, except soft drinks and
9 food products that are dispensed hot from a vending machine,
10 regardless of the location of the vending machine. Beginning
11 August 1, 2009, and notwithstanding any other provisions of
12 this Act, "food for human consumption that is to be consumed
13 off the premises where it is sold" includes all food sold
14 through a vending machine, except soft drinks, candy, and food
15 products that are dispensed hot from a vending machine,
16 regardless of the location of the vending machine.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "food for human consumption that
19 is to be consumed off the premises where it is sold" does not
20 include candy. For purposes of this Section, "candy" means a
21 preparation of sugar, honey, or other natural or artificial
22 sweeteners in combination with chocolate, fruits, nuts or
23 other ingredients or flavorings in the form of bars, drops, or
24 pieces. "Candy" does not include any preparation that contains
25 flour or requires refrigeration.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "nonprescription medicines and
2 drugs" does not include grooming and hygiene products. For
3 purposes of this Section, "grooming and hygiene products"
4 includes, but is not limited to, soaps and cleaning solutions,
5 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
6 lotions and screens, unless those products are available by
7 prescription only, regardless of whether the products meet the
8 definition of "over-the-counter-drugs". For the purposes of
9 this paragraph, "over-the-counter-drug" means a drug for human
10 use that contains a label that identifies the product as a drug
11 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
12 label includes:

13 (A) A "Drug Facts" panel; or

14 (B) A statement of the "active ingredient(s)" with a
15 list of those ingredients contained in the compound,
16 substance or preparation.

17 Beginning on January 1, 2014 (the effective date of Public
18 Act 98-122), "prescription and nonprescription medicines and
19 drugs" includes medical cannabis purchased from a registered
20 dispensing organization under the Compassionate Use of Medical
21 Cannabis Program Act.

22 As used in this Section, "adult use cannabis" means
23 cannabis subject to tax under the Cannabis Cultivation
24 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
25 and does not include cannabis subject to tax under the
26 Compassionate Use of Medical Cannabis Program Act.

1 If the property that is acquired from a serviceman is
2 acquired outside Illinois and used outside Illinois before
3 being brought to Illinois for use here and is taxable under
4 this Act, the "selling price" on which the tax is computed
5 shall be reduced by an amount that represents a reasonable
6 allowance for depreciation for the period of prior
7 out-of-state use.

8 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
9 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

10 Section 15. The Service Occupation Tax Act is amended by
11 changing Section 3-10 as follows:

12 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this
14 Section, the tax imposed by this Act is at the rate of 6.25% of
15 the "selling price", as defined in Section 2 of the Service Use
16 Tax Act, of the tangible personal property. For the purpose of
17 computing this tax, in no event shall the "selling price" be
18 less than the cost price to the serviceman of the tangible
19 personal property transferred. The selling price of each item
20 of tangible personal property transferred as an incident of a
21 sale of service may be shown as a distinct and separate item on
22 the serviceman's billing to the service customer. If the
23 selling price is not so shown, the selling price of the
24 tangible personal property is deemed to be 50% of the

1 serviceman's entire billing to the service customer. When,
2 however, a serviceman contracts to design, develop, and
3 produce special order machinery or equipment, the tax imposed
4 by this Act shall be based on the serviceman's cost price of
5 the tangible personal property transferred incident to the
6 completion of the contract.

7 Beginning on July 1, 2000 and through December 31, 2000,
8 with respect to motor fuel, as defined in Section 1.1 of the
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
10 the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 With respect to gasohol, as defined in the Use Tax Act, the
12 tax imposed by this Act shall apply to (i) 70% of the cost
13 price of property transferred as an incident to the sale of
14 service on or after January 1, 1990, and before July 1, 2003,
15 (ii) 80% of the selling price of property transferred as an
16 incident to the sale of service on or after July 1, 2003 and on
17 or before July 1, 2017, and (iii) 100% of the cost price
18 thereafter. If, at any time, however, the tax under this Act on
19 sales of gasohol, as defined in the Use Tax Act, is imposed at
20 the rate of 1.25%, then the tax imposed by this Act applies to
21 100% of the proceeds of sales of gasohol made during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the selling price of property transferred as an incident to
25 the sale of service on or after July 1, 2003 and on or before
26 December 31, 2023 but applies to 100% of the selling price

1 thereafter.

2 With respect to biodiesel blends, as defined in the Use
3 Tax Act, with no less than 1% and no more than 10% biodiesel,
4 the tax imposed by this Act applies to (i) 80% of the selling
5 price of property transferred as an incident to the sale of
6 service on or after July 1, 2003 and on or before December 31,
7 2018 and (ii) 100% of the proceeds of the selling price after
8 December 31, 2018 and before January 1, 2024. On and after
9 January 1, 2024, the taxation of biodiesel, renewable diesel,
10 and biodiesel blends shall be as provided in Section 3-5.1 of
11 the Use Tax Act~~thereafter~~. If, at any time, however, the tax
12 under this Act on sales of biodiesel blends, as defined in the
13 Use Tax Act, with no less than 1% and no more than 10%
14 biodiesel is imposed at the rate of 1.25%, then the tax imposed
15 by this Act applies to 100% of the proceeds of sales of
16 biodiesel blends with no less than 1% and no more than 10%
17 biodiesel made during that time.

18 With respect to 100% biodiesel, as defined in the Use Tax
19 Act, and biodiesel blends, as defined in the Use Tax Act, with
20 more than 10% but no more than 99% biodiesel material, the tax
21 imposed by this Act does not apply to the proceeds of the
22 selling price of property transferred as an incident to the
23 sale of service on or after July 1, 2003 and on or before
24 December 31, 2023 ~~but applies to 100% of the selling price~~
25 ~~thereafter.~~ On and after January 1, 2024, the taxation of
26 biodiesel, renewable diesel, and biodiesel blends shall be as

1 provided in Section 3-5.1 of the Use Tax Act.

2 At the election of any registered serviceman made for each
3 fiscal year, sales of service in which the aggregate annual
4 cost price of tangible personal property transferred as an
5 incident to the sales of service is less than 35%, or 75% in
6 the case of servicemen transferring prescription drugs or
7 servicemen engaged in graphic arts production, of the
8 aggregate annual total gross receipts from all sales of
9 service, the tax imposed by this Act shall be based on the
10 serviceman's cost price of the tangible personal property
11 transferred incident to the sale of those services.

12 The tax shall be imposed at the rate of 1% on food prepared
13 for immediate consumption and transferred incident to a sale
14 of service subject to this Act or the Service Occupation Tax
15 Act by an entity licensed under the Hospital Licensing Act,
16 the Nursing Home Care Act, the Assisted Living and Shared
17 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
18 Specialized Mental Health Rehabilitation Act of 2013, or the
19 Child Care Act of 1969, or an entity that holds a permit issued
20 pursuant to the Life Care Facilities Act. The tax shall also be
21 imposed at the rate of 1% on food for human consumption that is
22 to be consumed off the premises where it is sold (other than
23 alcoholic beverages, food consisting of or infused with adult
24 use cannabis, soft drinks, and food that has been prepared for
25 immediate consumption and is not otherwise included in this
26 paragraph) and prescription and nonprescription medicines,

1 drugs, medical appliances, products classified as Class III
2 medical devices by the United States Food and Drug
3 Administration that are used for cancer treatment pursuant to
4 a prescription, as well as any accessories and components
5 related to those devices, modifications to a motor vehicle for
6 the purpose of rendering it usable by a person with a
7 disability, and insulin, blood sugar testing materials,
8 syringes, and needles used by human diabetics. For the
9 purposes of this Section, until September 1, 2009: the term
10 "soft drinks" means any complete, finished, ready-to-use,
11 non-alcoholic drink, whether carbonated or not, including but
12 not limited to soda water, cola, fruit juice, vegetable juice,
13 carbonated water, and all other preparations commonly known as
14 soft drinks of whatever kind or description that are contained
15 in any closed or sealed can, carton, or container, regardless
16 of size; but "soft drinks" does not include coffee, tea,
17 non-carbonated water, infant formula, milk or milk products as
18 defined in the Grade A Pasteurized Milk and Milk Products Act,
19 or drinks containing 50% or more natural fruit or vegetable
20 juice.

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "soft drinks" means non-alcoholic
23 beverages that contain natural or artificial sweeteners. "Soft
24 drinks" do not include beverages that contain milk or milk
25 products, soy, rice or similar milk substitutes, or greater
26 than 50% of vegetable or fruit juice by volume.

1 Until August 1, 2009, and notwithstanding any other
2 provisions of this Act, "food for human consumption that is to
3 be consumed off the premises where it is sold" includes all
4 food sold through a vending machine, except soft drinks and
5 food products that are dispensed hot from a vending machine,
6 regardless of the location of the vending machine. Beginning
7 August 1, 2009, and notwithstanding any other provisions of
8 this Act, "food for human consumption that is to be consumed
9 off the premises where it is sold" includes all food sold
10 through a vending machine, except soft drinks, candy, and food
11 products that are dispensed hot from a vending machine,
12 regardless of the location of the vending machine.

13 Notwithstanding any other provisions of this Act,
14 beginning September 1, 2009, "food for human consumption that
15 is to be consumed off the premises where it is sold" does not
16 include candy. For purposes of this Section, "candy" means a
17 preparation of sugar, honey, or other natural or artificial
18 sweeteners in combination with chocolate, fruits, nuts or
19 other ingredients or flavorings in the form of bars, drops, or
20 pieces. "Candy" does not include any preparation that contains
21 flour or requires refrigeration.

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "nonprescription medicines and
24 drugs" does not include grooming and hygiene products. For
25 purposes of this Section, "grooming and hygiene products"
26 includes, but is not limited to, soaps and cleaning solutions,

1 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
2 lotions and screens, unless those products are available by
3 prescription only, regardless of whether the products meet the
4 definition of "over-the-counter-drugs". For the purposes of
5 this paragraph, "over-the-counter-drug" means a drug for human
6 use that contains a label that identifies the product as a drug
7 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
8 label includes:

9 (A) A "Drug Facts" panel; or

10 (B) A statement of the "active ingredient(s)" with a
11 list of those ingredients contained in the compound,
12 substance or preparation.

13 Beginning on January 1, 2014 (the effective date of Public
14 Act 98-122), "prescription and nonprescription medicines and
15 drugs" includes medical cannabis purchased from a registered
16 dispensing organization under the Compassionate Use of Medical
17 Cannabis Program Act.

18 As used in this Section, "adult use cannabis" means
19 cannabis subject to tax under the Cannabis Cultivation
20 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
21 and does not include cannabis subject to tax under the
22 Compassionate Use of Medical Cannabis Program Act.

23 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
24 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

25 Section 20. The Retailers' Occupation Tax Act is amended

1 by changing Section 2-10 as follows:

2 (35 ILCS 120/2-10)

3 Sec. 2-10. Rate of tax. Unless otherwise provided in this
4 Section, the tax imposed by this Act is at the rate of 6.25% of
5 gross receipts from sales of tangible personal property made
6 in the course of business.

7 Beginning on July 1, 2000 and through December 31, 2000,
8 with respect to motor fuel, as defined in Section 1.1 of the
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
10 the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 Beginning on August 6, 2010 through August 15, 2010, with
12 respect to sales tax holiday items as defined in Section 2-8 of
13 this Act, the tax is imposed at the rate of 1.25%.

14 Within 14 days after the effective date of this amendatory
15 Act of the 91st General Assembly, each retailer of motor fuel
16 and gasohol shall cause the following notice to be posted in a
17 prominently visible place on each retail dispensing device
18 that is used to dispense motor fuel or gasohol in the State of
19 Illinois: "As of July 1, 2000, the State of Illinois has
20 eliminated the State's share of sales tax on motor fuel and
21 gasohol through December 31, 2000. The price on this pump
22 should reflect the elimination of the tax." The notice shall
23 be printed in bold print on a sign that is no smaller than 4
24 inches by 8 inches. The sign shall be clearly visible to
25 customers. Any retailer who fails to post or maintain a

1 required sign through December 31, 2000 is guilty of a petty
2 offense for which the fine shall be \$500 per day per each
3 retail premises where a violation occurs.

4 With respect to gasohol, as defined in the Use Tax Act, the
5 tax imposed by this Act applies to (i) 70% of the proceeds of
6 sales made on or after January 1, 1990, and before July 1,
7 2003, (ii) 80% of the proceeds of sales made on or after July
8 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
9 proceeds of sales made thereafter. If, at any time, however,
10 the tax under this Act on sales of gasohol, as defined in the
11 Use Tax Act, is imposed at the rate of 1.25%, then the tax
12 imposed by this Act applies to 100% of the proceeds of sales of
13 gasohol made during that time.

14 With respect to majority blended ethanol fuel, as defined
15 in the Use Tax Act, the tax imposed by this Act does not apply
16 to the proceeds of sales made on or after July 1, 2003 and on
17 or before December 31, 2023 but applies to 100% of the proceeds
18 of sales made thereafter.

19 With respect to biodiesel blends, as defined in the Use
20 Tax Act, with no less than 1% and no more than 10% biodiesel,
21 the tax imposed by this Act applies to (i) 80% of the proceeds
22 of sales made on or after July 1, 2003 and on or before
23 December 31, 2018 and (ii) 100% of the proceeds of sales made
24 after December 31, 2018 and before January 1, 2024. On and
25 after January 1, 2024, the taxation of biodiesel, renewable
26 diesel, and biodiesel blends shall be as provided in Section

1 3-5.1 of the Use Tax Act ~~thereafter~~. If, at any time, however,
2 the tax under this Act on sales of biodiesel blends, as defined
3 in the Use Tax Act, with no less than 1% and no more than 10%
4 biodiesel is imposed at the rate of 1.25%, then the tax imposed
5 by this Act applies to 100% of the proceeds of sales of
6 biodiesel blends with no less than 1% and no more than 10%
7 biodiesel made during that time.

8 With respect to 100% biodiesel, as defined in the Use Tax
9 Act, and biodiesel blends, as defined in the Use Tax Act, with
10 more than 10% but no more than 99% biodiesel, the tax imposed
11 by this Act does not apply to the proceeds of sales made on or
12 after July 1, 2003 and on or before December 31, 2023 ~~but~~
13 ~~applies to 100% of the proceeds of sales made thereafter.~~ On
14 and after January 1, 2024, the taxation of biodiesel,
15 renewable diesel, and biodiesel blends shall be as provided in
16 Section 3-5.1 of the Use Tax Act.

17 With respect to food for human consumption that is to be
18 consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, and food that has been prepared for
21 immediate consumption) and prescription and nonprescription
22 medicines, drugs, medical appliances, products classified as
23 Class III medical devices by the United States Food and Drug
24 Administration that are used for cancer treatment pursuant to
25 a prescription, as well as any accessories and components
26 related to those devices, modifications to a motor vehicle for

1 the purpose of rendering it usable by a person with a
2 disability, and insulin, blood sugar testing materials,
3 syringes, and needles used by human diabetics, the tax is
4 imposed at the rate of 1%. For the purposes of this Section,
5 until September 1, 2009: the term "soft drinks" means any
6 complete, finished, ready-to-use, non-alcoholic drink, whether
7 carbonated or not, including but not limited to soda water,
8 cola, fruit juice, vegetable juice, carbonated water, and all
9 other preparations commonly known as soft drinks of whatever
10 kind or description that are contained in any closed or sealed
11 bottle, can, carton, or container, regardless of size; but
12 "soft drinks" does not include coffee, tea, non-carbonated
13 water, infant formula, milk or milk products as defined in the
14 Grade A Pasteurized Milk and Milk Products Act, or drinks
15 containing 50% or more natural fruit or vegetable juice.

16 Notwithstanding any other provisions of this Act,
17 beginning September 1, 2009, "soft drinks" means non-alcoholic
18 beverages that contain natural or artificial sweeteners. "Soft
19 drinks" do not include beverages that contain milk or milk
20 products, soy, rice or similar milk substitutes, or greater
21 than 50% of vegetable or fruit juice by volume.

22 Until August 1, 2009, and notwithstanding any other
23 provisions of this Act, "food for human consumption that is to
24 be consumed off the premises where it is sold" includes all
25 food sold through a vending machine, except soft drinks and
26 food products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine. Beginning
2 August 1, 2009, and notwithstanding any other provisions of
3 this Act, "food for human consumption that is to be consumed
4 off the premises where it is sold" includes all food sold
5 through a vending machine, except soft drinks, candy, and food
6 products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine.

8 Notwithstanding any other provisions of this Act,
9 beginning September 1, 2009, "food for human consumption that
10 is to be consumed off the premises where it is sold" does not
11 include candy. For purposes of this Section, "candy" means a
12 preparation of sugar, honey, or other natural or artificial
13 sweeteners in combination with chocolate, fruits, nuts or
14 other ingredients or flavorings in the form of bars, drops, or
15 pieces. "Candy" does not include any preparation that contains
16 flour or requires refrigeration.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "nonprescription medicines and
19 drugs" does not include grooming and hygiene products. For
20 purposes of this Section, "grooming and hygiene products"
21 includes, but is not limited to, soaps and cleaning solutions,
22 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
23 lotions and screens, unless those products are available by
24 prescription only, regardless of whether the products meet the
25 definition of "over-the-counter-drugs". For the purposes of
26 this paragraph, "over-the-counter-drug" means a drug for human

1 use that contains a label that identifies the product as a drug
2 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
3 label includes:

4 (A) A "Drug Facts" panel; or

5 (B) A statement of the "active ingredient(s)" with a
6 list of those ingredients contained in the compound,
7 substance or preparation.

8 Beginning on the effective date of this amendatory Act of
9 the 98th General Assembly, "prescription and nonprescription
10 medicines and drugs" includes medical cannabis purchased from
11 a registered dispensing organization under the Compassionate
12 Use of Medical Cannabis Program Act.

13 As used in this Section, "adult use cannabis" means
14 cannabis subject to tax under the Cannabis Cultivation
15 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
16 and does not include cannabis subject to tax under the
17 Compassionate Use of Medical Cannabis Program Act.

18 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
19 102-4, eff. 4-27-21.)

20 Section 25. The Motor Fuel Tax Law is amended by adding
21 Section 3d as follows:

22 (35 ILCS 505/3d new)

23 Sec. 3d. Right to blend.

24 (a) A distributor who is properly licensed and permitted

1 as a blender pursuant to this Act may blend petroleum-based
2 diesel fuel with biodiesel and sell the blended or unblended
3 product on any premises owned and operated by the distributor
4 for the purpose of supporting or facilitating the retail sale
5 of motor fuel.

6 (b) A refiner or supplier of petroleum-based diesel fuel
7 or biodiesel shall not refuse to sell or transport to a
8 distributor who is properly licensed and permitted as a
9 blender pursuant to this Act any petroleum-based diesel fuel
10 or biodiesel based on the distributor's or dealer's intent to
11 use that product for blending.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.".